

our hands? I think it is very risky and irresponsible to try to spend that money.

I also am very concerned that what is going to drive a tobacco settlement is that we want to spend money. We need to spend more money on day care, so I will settle any type of tobacco agreement. That will be very risky and dangerous. The tobacco settlement should stand on its own.

Yes, there are going to be some revenues there; and, yes, we are going to share some of that with the States. We have to address the whole liability issue, which is a great concern to all of us. There are a lot of legal fees involved that are going to be questioned.

It is going to be a complicated process. It is going to be worked on in a bipartisan fashion, and we need to move forward on that. But let us not spend that money now. It is not part of the budget. We do not have the money in our hands. So to try to say this is the reason we want to have a budget agreement so we can spend money on these new programs is just plain wrong.

So I am very disappointed that this administration sent up a budget that, because of smoke and mirrors, they classify things as mandatory spending. They are using waste and fraud as a way to save money, and we will spend it even though we do not have it in our hands. Let us stop playing tricks with the American people and let us talk straight with them.

Let us live with the agreement that we agreed to last year. Let us live within the spending caps. Let us wait and see if we have a surplus. And when we have the surplus, my opinion personally is that we need to address the debt problem, start applying it to the debt. We do have a Social Security problem and a transition cost as we reform Social Security. And, number three, we should give tax cuts to the American people.

So I think we should address that once we have the surplus in hand. Until we have that surplus in hand, there is no way that we can continue doing that.

PRESIDENT'S BUDGET RETURNS TO THE ERA OF BIG GOVERNMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from South Dakota (Mr. THUNE) is recognized for 60 minutes as the designee of the Majority Leader.

Mr. THUNE. Mr. Speaker, last week, we heard in the President's State of the Union address some of his priorities and his agenda for this next year. And, interestingly enough, when the budget came out this past week, we got a more detailed description about some of his ideas for new Washington spending.

I harken back to 1994 and what happened at that point in time and after the big government agenda was annihilated at the polls in 1994. In the State

of the Union address in 1995, the President came forward and said, the era of big government is over. I think a lot of people in this country took consolation in that statement. That was just a few short years ago.

Well, now a couple of years later, we are talking about a potential surplus, which is something that is remarkable—the first in our country's history in some 30 years. Yet I am reminded of the fact I think about whenever we start talking about a surplus in this particular environment in Washington, D.C. It is like a liberal politician's dream, but a taxpayer's nightmare.

Mr. Speaker, I think as we look at the statement in 1995 about the era of big government being over and then look at where we are today in terms of potential surplus and what that means for the future of this country and what that means for our country's budget, I think we have to make some important decisions. We are truly at an historic crossroads in terms of the future of this country.

Now, when the President laid out his budget, I think there were some \$150 billion in new Washington spending included in that budget; and, with respect to his goals, I think most of us probably were in agreement, on the importance of priorities like caring for and educating our children as well as providing health care for an aging population. These are important issues and on that I think all of us agree.

However, the differences are very clear in trying to determine how best to achieve those goals and particularly in the context of a potential revenue surplus.

The President's programs are an incredibly expansive reach by the Federal Government into the lives of most Americans. It is remarkably inconsistent on the one hand to talk about using a potential surplus to pay down the debt and to pay back Social Security and, on the other hand, to talk about increasing the size and reach of the Federal Government by some \$150 billion in new Washington spending and bigger government.

Many people, myself included, have been very confused by the mixed signals that the President is sending. Now I happen to believe that there is a responsible public policy approach to dealing with a potential surplus. For that reason, I am cosponsoring legislation offered by the gentleman from Wisconsin (Mr. NEUMANN) which is consistent with a number of important policy objectives.

Simply put, the Neumann legislation would apportion any potential surplus in three ways. First, it would allocate two-thirds of any surpluses to paying off debt and restoring the governmental trust funds: Social Security, transportation, environmental. The final third would go toward reducing taxes on hard-working Americans.

It goes a step beyond that in a very important way, by putting a systematic plan in place to retire our coun-

try's \$5.5 trillion debt in the course of the next 30 years, spending 1 percent less than what we take in in revenue every year, and applying that 1 percent to paying down the debt. Again assuming modest or moderate economic growth rates, we can be completely debt free by the year 2026.

In addition to winning the war on drugs, I cannot think of anything else that would be more important for the future of our children and our grandchildren. It would also free up the \$250 billion annually that the Congress appropriates every year just to pay the interest on our \$5.5 trillion debt.

That is an important point. We go through the budgetary process every year. Before we spend anything on roads and bridges or highways, before we spend anything on any other social programs, we have to appropriate the \$250 billion in round numbers that is necessary and essential to pay for the interest on the \$5.5 trillion debt.

Just as important, the Neumann legislation would allow us actually to give something back to the taxpayers. After all, it is their money. I happen for one to believe that if the President is able to build \$150 billion into his budget for new Washington spending, in the alternative, he ought to be able to come up with that amount of money to give back to the taxpayers.

I believe that the best way that we can help working families deal with tough issues like child care is to give them some money back and to allow them to make the best decision about how to address this very important need.

The President's proposal tends toward installing Uncle Sam as your nanny. His plan would have Washington determine which children and which child care providers get Washington's assistance.

The bottom line question I think we have to ask ourselves as members of this country is, who would we rather have raising our kids? Would we rather have the Federal Government do it, or would we rather have the American family? For me, that is a no-brainer.

But if we give people inside the Washington Beltway long enough, they will try to create a risk-free society. Big government will eventually guarantee you child care, education, health care, guarantee a job, probably guarantee a fixed income, guarantee a retirement, possibly a big screen television, and the list goes on and on.

But the cost will be high. Because, in doing all that, there will be a corresponding decrease in the freedom that we enjoy in this country and more and more taxes to pay for all that security. Ultimately, we end up with a bureaucrat in the crib, a bureaucrat at day care, a bureaucrat in the classroom, a bureaucrat in the workplace, and a bureaucrat in your living room. We may, in fact, even have a bureaucrat in the coffin with us just to make sure that we do not, in fact, take anything with us.

The question I think we have to ask is, where does it all end? There is a better way, and that is to say to the people of this country that we trust their judgment. We believe that they are capable of caring for their children and making good decisions about their future. We believe that, as a matter of principle, America is infinitely better off when families are making decisions rather than bureaucrats. In the same way, we believe that America is infinitely better off when parents are teaching values rather than bureaucrats.

I know that may shock the yuppie intellectuals who operate government institutions, but that is all part of the debate that we are having in this country today. If there is anything in President Clinton's budget or in his State of the Union speech that troubles me more than anything else, it is this obsession with targeting. From spending Federal dollars to providing tax relief, the President desperately wants to create winners and losers. Everything is targeted.

Now since when have we become so differentiated as a culture so as to require this sort of governmental micromanagement? I think at times we have all been guilty of it. But if we are truly striving, as he said, toward a more perfect union, we ought to look for ways in which we allow all Americans, irrespective of whether they are married or single, with or without children, young or old, whatever their national heritage is, to participate in the benefits of greater freedom that comes with lower taxes. We should not discriminate among taxpayers based upon marital status. We should, on the other hand, strive to make all taxpayers equal in the law.

□ 1900

Furthermore, we ought to consistently look at ways to make the Tax Code simpler and less complicated for the American people. Almost every tax relief proposal that I have heard of to date further complicates the Tax Code. This is the absolute wrong direction in which to head if our underlying objective is making government less intrusive and more user-friendly.

It is for these reasons that I am proud today along with my friend, the gentlewoman from Washington (Ms. DUNN), to be introducing two pieces of tax relief legislation that I believe will serve as alternatives to the new Washington spending in the President's budget, and at the same time these bills are consistent with the dual goals of, one, distributing tax relief broadly and evenly and, secondly, of simplifying an already inordinately complicated Tax Code.

Members of Congress, both Democrats and Republicans, if they are sincere about helping to lower the tax burden on working families, should be 100 percent behind these bills. There is no targeting. There is no gimmickry. There are no loopholes, just plain and simple common sense.

The first bill, the Middle Class Tax Relief Act of 1998, addresses the issue of bracket creep by allowing working families to make more money before they fall into the higher tax bracket. It lowers taxes by raising the income threshold at which the 28 percent tax bracket would apply. Very simply put, more and more of the income of working Americans would be subject to the 15 percent tax bracket rather than the much higher 28 percent tax bracket.

This legislation will help Americans who are doing better and therefore making more and as a consequence have graduated from the 15 percent tax bracket to the higher 28 percent tax bracket. Due to bracket creep, 28 cents of each additional dollar they earn now goes to the Federal Government. Talk about a disincentive to improving your lot in life. Under our legislation, many of these hard-working people will have an incentive to continue to be hard-working people because they will have been liberated from the higher tax rate on each additional dollar that they earn.

Now, the real beauty in this legislation is it gives no preference based upon status, marital or otherwise. Presently the higher 28 percent tax rate begins to apply to a single person making \$25,350. Our legislation would raise that threshold to \$35,000. For heads of household, the 28 percent rate starts at \$33,950. We would raise that to \$52,600. For married couples the 28 percent rate starts at \$42,350. We would raise that in our proposal to \$70,000.

According to the Tax Foundation, over 29 million filers in this country would see their taxes lowered under this proposal, with the average savings of nearly \$1,200 per filer. In fact, over 10 million filers would actually move out of the 28 percent bracket, the higher tax bracket, into the lower 15 percent bracket.

Once again, let me say and repeat that this is an infinitely better approach to assisting families with their child care needs than is the discriminatory Washington knows best approach embodied in the President's plan. A \$1,200 tax cut could pay for 16 weeks of child care, 4 car payments and up to 3 months of housing bills, or 14 weeks of grocery bills. That is real help for working families.

Our other bill, the Taxpayer Choice Act of 1998, would raise the personal exemption from the current \$2,700 to \$3,400. Again, this simple change will help hard-working Americans by allowing them to reduce their taxable income by an additional \$700 per dependent, thereby lowering their overall tax burden.

This legislation will deliver broad-based tax relief to taxpayers in the lower and middle-income ranges. In fact, under this legislation, 95 percent of the people, particularly those in the lower income categories, would benefit. It really delivers relief to low and middle-income taxpayers, and that is something I think we desperately need.

That is helping people who are your W-2 wage earners, the people that oftentimes get left out of many of the discussions. Furthermore the change is straightforward and easy to calculate. For someone in the 15 percent tax bracket, the bill would result in a savings of \$100, or for a family of four, when you multiply that, \$400 or the possible equivalent of 5 weeks of child care, a car payment, housing payment or 5 weeks of grocery bills.

Again, I would restate that this is real relief. For someone in the 28 percent tax bracket, that would amount to \$200 in tax savings per individual or \$800 per family of four. That again is the possible equivalent of 10 weeks of child care, almost 10 weeks of grocery bills, three car payments or a couple of housing payments, and, as is true today, the deduction would phase out for wage earners whose incomes exceed \$124,500.

Let me again reiterate one point. That is that we agree with the President that working families in America need relief. However, the President, to coincide with his need for a relevant agenda, has mistakenly interpreted that need as a request for more Washington spending. We, on the other hand, know that what working families are really asking for is not more Federal Government, but relief from more Federal Government.

We have heard American families. We agree with you that your family should not have to sacrifice one more dime of your hard-earned money to build new government bureaucracies that will further undermine your ability to care for yourself and your family. We will stand with American families, and the bills that we have introduced today make it abundantly clear that no surplus government revenue should go to more Washington spending. Rather, they should go into your pocket—through tax relief and restoring the trust funds. That is common-sense government.

The legislation we have introduced today also should fit in nicely with what I believe ought to be a reality before the turn of the century, and that is a brand new Tax Code that is simple and fair.

Americans waste too much time and money filling out tax returns. It is a dream for lobbyists, for lawyers and for tax preparers. It is a nightmare for the American taxpayer. Ultimately the only way we will get real reform is to kill the beast and start all over. Every time Congress starts chipping around the edges like we did last summer, we make the Code even more complicated than it is today, some 480 different forms, 6,000 pages and 34½ pounds. It is time to say, enough already.

It will not be easy because there is a lot of internal resistance in this city to changing the status quo, but it has to be done. I had some accountants from South Dakota in my office just this last week. They agreed. They are probably in the best position to benefit

from the complexity of the Code as it exists today. They agree that the current Code is an abomination.

The two bills that we have introduced today are consistent with a simpler, fairer approach to the Tax Code. I hope they will serve as the beginning of a discussion about replacing the Code with a view of taxation that finds its foundation and its basis in the policies of former Presidents John Kennedy and Ronald Reagan, and that is a policy and a view that invites all Americans to participate in the benefits of a growing economy that will spur investment and create jobs by limiting taxes and by minimizing the burden of tax compliance.

These are our goals. I look forward to working with this Congress to making them become a reality. To that end I would ask the Members of this body on both sides of the aisle to support this important legislation.

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. THUNE. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I overheard the beginning of your speech, and I thought it was very important that you pointed out that 2 years ago the President said that the era of big government is over. And yet the other day, yesterday, he said, we are now at the end of an era. So apparently the era of big government being over was only a 2-year period of time, a 24-month little spurt in United States history. What the President is now saying is that the era is over, and here is how I want to spend the surplus.

Now, I do not know how the good folks in your district are, but I know the good folks in coastal Georgia, if they have a credit card debt and they go 1 month without using the credit card, that does not mean that the bank calls them up and says, hey, last month your credit card balance was zero, go out and buy some new clothes and a new stereo, and go on a nice vacation and take your family out to eat. What they say is, hey, I am glad you finally quit spending on the damn credit card. Now start paying down your credit card debt.

The position we are in as a country, just because for the first time in 30 years we are going to have no deficit, it does not mean that we have paid down our \$5.1 trillion debt. And what we need to do is have a sensible approach that you have outlined in terms of paying down the debt and having not increased government and not gone out and spent on a lot of new programs and so forth.

I really appreciate your class taking the leadership on this and common sense tax reforms, targeting to put values back in the system and reward people who are out there working and not the folks who want to take advantage of it.

Mr. THUNE. I appreciate the comments of the gentleman from Georgia. I happen to agree that in the course of the last couple years, somehow we have

gone from the era of big government is over, to it is back.

In the current proposals that are pending before Congress right now, which we will have an opportunity to evaluate and act upon in the months ahead, clearly the discussion was had with the pollsters as to what are the most popular things, the most attractive things that we can talk about in terms of policies, and yet at the same time, without telling the taxpayers of this country that ultimately you are the people who are going to have to pay the bill on this. I think in fairness we have to make clear that inasmuch as these different things sound very attractive on the surface, the bottom line is they are an incredible, enormous expansion of big government; an incredible expansion into the lives of most Americans. As the people in my State of South Dakota would probably tell you, that is something that they would rather not see, because when I came here, I told them that I would work to make government smaller, more responsive, and more user-friendly. And in fact, what we are talking about is a bigger preemption and government usurping more authority, and more of the decisionmaking and control that parents and families and individuals ought to have.

I might add, again, in reemphasizing something that I said earlier, that so much of what the President has proposed over the course of his tenure is to identify or isolate specific groups and make them either winners or losers under his proposals. The things that we are talking about here in terms of tax relief do in fact provide it in an evenly distributed and broad way that allows people, whether you are married or not, whether you are single, to participate in the benefits of lower taxes, and that ultimately is where we want to go. I know that the gentleman from Georgia has a keen interest in that subject.

Mr. KINGSTON. I think that the gentleman has raised a good point that taxes are an indication of the size of your government. One of the things that when we talk about a balanced budget, if we had government the size that we do today, if we had the same size government or budget years and years ago, we would have always had a surplus.

The fact is our budget is overgrown. We are like the 300- or 400-pound fat boy who has finally quit gaining weight. And we are saying, oh, yes, now you are in great shape because you are not gaining weight anymore.

The fact is we have a huge, massive government, as the President has proposed it, \$1.7 trillion government. That is a whole heck of a lot of bureaucrats, a whole heck of a lot of rules, regulations and Washington busybodies who have nothing to do in this world but to stick their nose into your family, your household, your bedroom, your kitchen table, your refrigerator. They are going to give us rules for this and that, label-

ing laws, restrictions and so forth. If you go out and talk to businesses, I do not see how they stay in business anymore, small or large or mid-sized businesses, just too much bureaucracy.

One of my favorite stories, and it is not hard to get one on OSHA, is a plumbing contractor in my district was installing a P-trap in a kitchen or bathroom sink. The P-trap is a little pipe that goes like that. Most of these days one uses PVC pipe. This is just like your bathroom cabinet and probably 80 percent of the houses in America, your typical middle-class ranch house. The plumbing contractor was using glue, PVC pipe underneath this sink in a bathroom.

□ 1915

And OSHA fined him for using a hazardous substance in a confined space without a gas mask. And that is the kind of government that we have, when we have a \$1.7 trillion dollar debt. They are not really worried about worker safety as much as they are concerned about bureaucratic job security, and they are going to come in and tell us how to run our lives or our offices because they have to justify their own existence.

But I think that what the gentleman is talking about with his targeted tax reductions does start the very important process of rolling back the size of government and the government regulations and interference with our lives and commerce.

Mr. THUNE. Well, the gentleman's experience is not unlike that of many, I would submit, around the country. And clearly we have come a very long way in this country from the concept I think that we had at our foundation, the conception that our forefathers had of this country, that government would only do for people those things that they cannot do for themselves. And somehow along the way we have complicated and convoluted and confused that concept to the point where today, as the gentleman knows, there are just enormous amounts of red tape and regulations and burdens that are placed upon citizens living in our society and a commensurate loss of the freedoms, the personal freedoms, that they used to enjoy in America.

I cannot help but recollect something I was reading the other day about the number of words that we have in government which is a good illustration. In the Lord's prayer there are some 66 words. In the Gettysburg address, 286 words, and the Declaration of Independence, some 1,326 words. And yet we have 26,940 some words governing the sale of cabbage in America today. So it has crept into, I think, all aspects of our lives.

And clearly it is something that we all recognize as a legitimate and vital role for the government to play, but what this administration, what this budget, what the proposals that we are going to be looking at over the course

of the next few weeks would purport to do is to grow and expand that role into new areas of American life and create an even bigger dependence upon the Federal Government. And, again, what people have to realize is ultimately they have to pay for that, and they will pay for it in the form of higher taxes and they are also going to be giving up a good amount of freedom in the decision-making process, because when we marry ourselves to the government and when we become the so-called partnership with government, we end up being the junior partner.

I thought it was interesting a while back in the Washington Post that there was a senior administration official that said because we had gotten our fiscal house in order we could afford to be a little more generous. That was an interesting comment because it reflected a mentality that I think permeates this entire city, and that is that it is their money. I realize, and I think what the gentleman from Georgia realizes, is that ultimately it is the money of the taxpayers of this country. And that is a concept, that is a truth, that is a principle that I will never forget in representing the people of my good State of South Dakota, and I would suspect the gentleman from Georgia will never forget in representing the people of his district as well.

A PERSPECTIVE ON CRIME POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia (Mr. KINGSTON) is recognized for 60 minutes.

Mr. KINGSTON. Thank you, Madam Speaker. I wanted to talk a little bit about an article that I read called U.S. Victory in the Crime War, written by Timothy Maier, and it was from "The World and I" magazine. It is a great article, and it just puts a perspective on some of the crime policy that we talk about.

I live in an area that has a lot of crimes, a lot of sad stories. I was talking to the DA, Steve Kelly, the other day about a case that he had where a 68-year-old woman was raped while her husband was held at gun point by some teenage thugs. And Mr. Kelly is a very aggressive, very competent DA, and he was able to get a prosecution on that, but it was just a heartbreaking story.

I remember another story in Savannah, Georgia, of a woman who was bathing her 2-year-old in the bathtub and somebody knocked on the door. And she looked out and decided not to answer it, and so the perpetrator went from the front door to the back door, kicked it in and raped this woman while she was bathing her 2-year-old.

And those kinds of heartbreaking stories we all hear, and we all hear too often, but in the crime debate we often forget the victim.

What I wanted to talk about is some of the things Mr. Maier had pointed out. The good news is that over the last

4 years violent crime, which includes aggravated assault, rape and murder, dropped 7 percent. Homicides fell 11 percent, about 7 people per 100,000 in population. Robberies were down 8 percent. Aggravated assaults dropped 6 percent. And rapes dropped 3 percent. Property crime, such as burglary and auto theft, also dropped. So there is a lot of good news.

Now, the interesting part is who is claiming credit for this. And, of course, in Washington we want to point to our tough crime policy and the President wants to point to some of his policies, but Mr. Maier said that the real success lies in the State governments, since that is where so many of the violent crimes end up in court. He pointed out that the States that have truth in sentencing laws, such as Virginia, are leading the way in the reductions of crime. He pointed out that in Virginia that they have had a truth in sentencing law and their simple policy is we want to get the bad guys off the streets.

Think about this, Madam Speaker. The hard working taxpayers in your district in New York should not be afraid to walk down the street at night. They paid for the street. They should not have to look over their shoulders. But the thugs who beat up old people and grab girls off the streets, they should be in jail. They should be afraid to walk down the streets, because we want to catch them and we want to lock them up and segregate them from decent society.

And so what Mr. Maier has pointed out is States that have the truth in sentencing laws and building new prisons, and they are purging these people off the streets, getting rid of the bad apples, they are leading the way. So truth in sentencing was part of it.

Now, another thing he looked at, another factor, was the COPS program. The President has said that because we have 100,000 new cops on the street it has made a new difference. But the reality is that there are not 100,000 new cops on the streets. And depending on who you are talking to, that number is actually as low as 20,000 and sometimes up to 57,000 people.

One thing he did show, he said there are more than 17,000—he talked about Washington, DC. He said in Washington, D.C. there are more than 17,000 police officers, including Federal police in Washington, but the city still averages 60,000 violent crimes a year. Here we are in the Nation's capital and one person out of eight is going to be a victim of a violent crime.

So does the Cops on the Street program work? I would say we really do not know for sure, but I can say this: The communities that have been flexible with the money seem to have been the most successful.

In Statesboro, Georgia, they have actually put a police satellite station in one of the housing projects that was in an area where there was high drug high crime, lots of problems. And right

smack in the middle of it the police in Statesboro put in a satellite station. I went to visit it and they said immediately they ran out the bad apples. The children come up to the police officers now. Instead of being afraid of them, they come up and hug them. They tell them when somebody from out of the housing area is in the area that should not be.

And the turnaround in that area has been tremendous. The commercial businesses, which had been closing down, are coming back and reopening. Church groups come to this area. It has been a great community success story in Statesboro, Georgia, and now they have done this in another housing project.

So when the COPS grant money is used in the way that the local community needs it to be used, I think that it does have an impact.

The third factor which Mr. Maier examined in terms of reducing crime was what about gun control. The President was quick to say, well, it is the Brady bill. The Brady bill is something that requires a background check on people before they can buy a gun. But Mr. Maier points out that in the time that it has existed, which I believe is 4 years now, that under the law there have only been seven prosecutions and of those seven, only three were sent to prison for illegally trying to obtain a handgun. So we have to say that really is not the main factor.

Now, he does point out something else. What portion of violent crimes actually involve the handgun. The answer is about 10 percent. And this statistic suggests that controlling handguns is not the final factor. In fact, Mr. Maier pointed out from 1980 to 1992 the number of firearms increased by 18 percent. But during the same period of time, the portion of violent crimes committed without a firearm dropped 4 percent. So the bottom line, according to Mr. Maier, is more guns on the street does not necessarily increase gun crime. And he shows a lot of examples.

One thing that is very interesting also is that he points out that in terms of guns, or where a gun has been fired or displayed, which actually comes to about 2½ million times a year in self-defense, the number of police arrests for violent crimes has fallen. So that there has been a positive impact for those folks who own guns and who use it to defend themselves.

The next factor that Mr. Maier looks at is juvenile crime. And one of the things that we are all concerned about is how much violent crime can be traced to young children. And young children can be anywhere from 13, 14 years old, in their mid-teens to their young 20s. But it is depressing to look at the stats on that.

The FBI statistics show that while violent crime is declining, juvenile crime continues to increase. The number of juveniles charged with murder increased 104 percent nationwide from